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DDP # 177-63

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APR 1964

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MEMORANDUM FOR: Deputy Director (Research)

SUBJECT : Fiscal Year 1964 Budget Hearings

1. Preparations are well under way for the Agency's FY 1964 budget hearings before the Subcommittees on Appropriation of the House and Senate. No specific dates have been set, but the Agency could be called at any time. Accordingly, you have been provided, through [REDACTED] copies of the Budget Book which we propose to make available to the committees at the time of our hearings. We are also providing a detailed back-up book for your use. I recommend you familiarize yourself with those schedules setting forth the DD/R program levels and changes. Representatives of the Budget Division are available to explain or elaborate to you or your staff both the Budget Book and back-up detail as desired.

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2. The general plan for the hearings, as of present thinking, consists of four parts:

a. The DCI's opening remarks which will set forth the pattern of the Agency's budget, and outline accomplishments, objectives and program emphasis. (A copy of the proposed remarks will be made available to you.)

b. The Comptroller's factual and affirmative briefing of the Agency money and manpower requirements by major activity. (Graphics have been developed for use in this presentation and photographs of these are being prepared for your information and use.)

c. A detailed briefing by the DD/R on the overhead reconnaissance programs of the Agency.

d. General responses by appropriate Deputies to committee questions.

3. In addition to the detailed NRO briefing I presume that you will want to make a short appreciative presentation in support of the R&D program generally as well as prepare to "field" committee questions about DD/R substantive programs and activities and their money and manpower requirements. In this regard consistency with the Budget figures must be maintained by all participants. The Budget Book in its introduction and on pages 2, 11, 12 d, 12 k through 12 p and 13 outlines areas of increase and decrease in the DD/R.

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4. The Comptroller's presentation in these areas, as I see it, could pretty well be limited to an introductory statement and a display of charts designed to show:

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a. General R&D picture with a breakdown of the FY 1964 figure of [REDACTED] into its sub-categories (Advanced Technical Research, SIGINT, etc.).

b. Three year comparison of sub-categories

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c. General NRO picture with a breakdown of the [REDACTED] in FY 1964 into major programs, followed by a three year comparison of those programs.

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5. In preparing the briefing we should have quantitative information to buttress and highlight the money and manpower figures. I have asked [REDACTED] and [REDACTED] to work with [REDACTED] and the DD/R Operating Divisions and Staffs in gathering pertinent supporting information.

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6. As you review the Budget Book, you will note that the form of our activity spread has changed from that presented to Congress last year and two new categories have been added -- R&D and Program-Wide. This is done in order to match Agency organization structure with activity categories and to show as nearly as possible in the context of a program budget the estimated costs of the activities of each Deputy Directorate. Some spreading of costs have been made. Specifically, O/DD/R costs are included under the "Program-Wide" activity; OSA-CIA costs are included under "Technical Collection" except for [REDACTED] which along with all other DD/R programs are in the R&D category.

7. As stated above I suggest that the over-all R&D presentation should be your responsibility. If so you will wish to familiarize yourself in detail with the R&D activity undertaken by TSD, OC, and NPIC in addition to DD/R. Since R&D has not been broken out per se in past budgets this activity may be an area of interest to the committees. Accordingly, I have asked the other Deputy Directorates to assist you in any way possible to provide supplemental data for offices under their cognizance.

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8. Recognizing that the Budget Book, the Director's opening remarks, and the Comptroller's affirmative briefing will open up particular lines of inquiry, I suggest you may wish to prepare yourself to cover the following topics.

a. Specific 1964 R&D projects in OEL and ORD which may be of particular interest to the Committees. It is not known to what extent they may wish to go into details, but a complete shopping list of R&D projects is suggested to justify the increase.

b. Progress of personnel strengths in DD/R and projected increases in on board strength for the remainder of FY 1963 and FY 1964.

c. The types of personnel we are trying to hire in enhancing the R&D effort of the Agency.

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d. [REDACTED]

9. This all boils down to a hefty bit of homework. I would appreciate your making available to me copies of any special papers you may have prepared. Also [REDACTED] and I plan to seek an early opportunity this week to discuss the plan of action further with you and your staff.

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[REDACTED]
Comptroller

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